

STATE OF NEBRASKA



Mike Johanns
Governor

December 3, 2004

DEPARTMENT OF REVENUE
Mary Jane Egr
Tax Commissioner

MOTOR FUELS DIVISION
Janet A. Lake
Administrator

If you currently charge the Petroleum Release Remedial Action Fee (PRF) to your customers, this notice applies to you!

Due to legislation passed by the 2004 Legislature, the point at which the PRF fee is due changes effective January 1, 2005. Instead of being imposed upon the first owner of the fuel when it enters Nebraska, it will be imposed at the same point as the motor fuel tax. Therefore, if your customer is a licensed Nebraska distributor or wholesaler and you sell motor fuel products to them untaxed, you will no longer charge the PRF fee on loads sold to them on and after January 1, 2005. When they file their Nebraska Monthly Fuel Tax Return, Form 73, the appropriate PRF fees will be included. When you file your Form 73, PRF will not be calculated on those gallons you identify as a Schedule Code 6 (delivered tax free to a licensed purchaser).

If you erroneously charge the PRF fees to your licensed customers, **it will cause them to double-pay the fee**. Because their remittance of the fee on their return is proper, **you** will be responsible for refunding the erroneously charged fee to your customers.

While PRF is no longer due on miscellaneous products such as motor oil and lubricant, it is still due on dyed diesel. When you sell dyed diesel to licensed distributors or wholesalers, you may report the receipt and disbursement to your customer, who will then report the receipt on their return and be responsible for remitting the PRF, OR you may choose to report the receipt of dyed diesel and remit the PRF fee on those gallons.

QUESTIONS? Review our changes to the Nebraska Monthly Fuel Tax Return, Form 73, dated 11/30/04.

Go to our Web site at: **www.revenue.state.ne.us/fuels**

See the Motor Fuels Updates and Newsletters

Contact your Account Representative



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Call our toll-free 1-800-554-FUEL

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